

British American Tobacco p.l.c. (“BAT”) Annual General Meeting 2024: Responses to questions submitted by shareholders via the ‘AGM Questions’ form on bat.com. This document outlines responses to all questions received by 5.00pm UK time on Tuesday, 16 April 2024, before the proxy deadline on 11.30am on Monday, 22 April 2024.

We would like to thank our shareholders for taking the time to submit questions on these important issues. In the spirit of brevity and clarity, we have, where appropriate, edited the questions and responded as completely and concisely as possible.

QUESTION:

What actions are being taken to address the companies eroding investor base? Has the company considered moving its ADR listing from the NYSE to the NASDAQ as such a move would cause the company to be included in the NASDAQ 100 index and broaden the investor base.

OUR RESPONSE:

We are committed to delivering a consistent financial performance while rewarding shareholders through a progressive dividend and sustainable share buybacks.

Our Board periodically reviews our listings with reference to a number of considerations. The NYSE offers the highest share and liquidity in the market giving us broad exposure to U.S. investors. Additionally, inclusion in the NASDAQ 100 index would not be automatic and is not guaranteed by a move to the NASDAQ exchange.

QUESTION:

We commend British American Tobacco's commitment to transparency, regarding the reporting of pay gaps in 103 markets. However, we are keen to understand when the company plans to extend this disclosure beyond the UK region to encompass its major geographic locations.

OUR RESPONSE:

While we do not currently disclose this information beyond the UK, the aggregate Group position whereby there is a 14% gap in favour of female employees is a good proxy for our end market organisations, given the composition of local employee populations and our business model.

We are committed to transparency, and it is our intention to broaden the geographical scope of this disclosure in the future. Looking out to 2025/26 our priority is to work towards implementation of the EU Pay Transparency Directive, which will broaden our disclosures in this respect.

QUESTION:

Please provide the board of directors' qualifications particularly those who sit on the audit, remuneration, and nominations committees.

OUR RESPONSE:

We are committed to complying with the UK Corporate Governance Code, which dictates at Principle K that BAT plc's Board and Committees should have a combination of skills, experience and knowledge.

Part of the remit of BAT plc's Nomination Committee is to carry out an on-going assessment of the future profile, skills and experience of prospective Non-Executive Directors. In carrying out this ongoing assessment, the Nomination Committee carefully considers the suitability and applicability of an individual's relevant experience and skills to roles on the Audit, Remuneration and Nomination Committees.

Details of the relevant skills and experience of each of our Non-Executive Directors can be found on pages 132 to 135 of our 2023 Combined Annual and Sustainability Report, available at [British American Tobacco - Combined Annual and Sustainability Report \(bat.com\)](https://www.bat.com). We consider the current composition of our Board and Committees reflects an appropriate balance of skills and experience drawn from Non-Executive Directors.

QUESTION:

What are the company's strategies concerning disposable Lithium batteries? Specifically, recycling initiatives, risks, and any associated action plans.

OUR RESPONSE:

Across our New Categories portfolio, we are continually looking at how we can enhance product design to improve circularity and minimise waste, especially batteries.

We continue to support the responsible disposal of our New Categories products in a number of ways:

- We utilise owned Take-Back schemes in markets where we sell New Category products - in our own stores, selected third-party retail outlets and at selected events.
- We take part in national and local electrical equipment return and recycling schemes, which vary depending on the national / local infrastructure and regulatory environment. These include, for example, return and recycling schemes in the EU aligned with the EU Waste Electrical & Electronic Equipment (WEEE) Directive, and similar schemes in a number of other countries internationally.
- In the UK, all our Vuse products can be returned to Vuse Take-Back points for responsible disposal which can range from recycling to incineration with energy recovery. They can also be returned through the general electrical take back schemes which exist nationally in the UK, aligned with the UK Waste Electrical & Electronic Equipment (WEEE) Regulations.

In November 2023, as part of our '2030 Smoke Free campaign', we set out our support for making it mandatory for all single-use vapes to have removable batteries to make recycling more straightforward.

QUESTION:

We would appreciate an update on the company's stance regarding tax fines and compliance with tax obligations.

OUR RESPONSE:

BAT's Tax Strategy is published annually in its Annual Report (Page 54 of our 2023 Combined Annual and Sustainability Report, available at [British American Tobacco - Combined Annual and Sustainability Report \(bat.com\)](#) and its approach to corporate tax can be found on its website ([Our approach to corporate taxation \(bat.com\)](#)).

We are committed to fully comply with all taxation laws in jurisdictions where we operate, and to account for and pay all taxes that are properly due. Where there may be instances of different interpretation of tax laws, we will seek pro-actively to engage with tax authorities or, where resolution is not possible, defend our position in litigation where appropriate.

QUESTION:

What is the board's strategy concerning gender representation, specifically towards increased female presence on the management board and enhancing diversity within the board?

OUR RESPONSE:

Our Board appreciates the benefits of diversity in all its forms, within its own membership and at all levels across the Group. It promotes diversity and encourages initiatives to improve diversity in senior management roles, in areas including gender, ethnicity and nationality.

The Nominations Committee is responsible for regularly reviewing the composition of both the Board and Management Board to ensure both boards have an appropriate balance of skills, expertise and knowledge, and ensuring that all appointments are made on merit against objective criteria and with due regard for the benefits of diversity.

A revised Board Diversity & Inclusion Policy was approved by our Board and took effect from 7 February 2024 to reflect our refreshed statement of our values. The Policy sets out our Board's commitment to the following objectives:

- Considering all aspects of diversity when reviewing the composition of, and succession planning for, the Board, its Committees and the Management Board.
- Considering a wide and gender-balanced pool of candidates for appointment to the Board.
- Maintain at least 40% representation of women on the Board.
- At least one of the following senior positions on the Board to be held by a woman: Chair; Senior Independent Director; Chief Executive; Chief Financial Officer.
- At least one Director of a minority ethnic background on the Board.
- Giving preference, where appropriate, to engagement of executive search firms accredited under the Standard and Enhanced Code of Conduct for Executive Search Firms.
- Oversight of the development of a pipeline of diverse, high-performing potential Executive Directors, Management Board members and other senior managers.

Further details of our Board Diversity & Inclusion Policy, including progress against the above objectives, can be found on page 157 of our 2023 Combined Annual and Sustainability Report, available at [British American Tobacco - Combined Annual and Sustainability Report \(bat.com\)](#).

QUESTION:

Could you outline the criteria employed by the company to determine inclusion in your peer comparator group? It's noteworthy that Microsoft, L'Oréal, and LVMH are included in this group. Will this inclusion not potentially skew the director's remuneration?

OUR RESPONSE:

The companies selected for the international pay comparator group are intended to reflect:

- The Group's capability requirements from a talent perspective;
- The international market in which the Group operates, with an appropriate amount of U.S. representation, given the materiality of the U.S. to the Group;
- The inclusion of companies is informed by capability requirements, talent interactions, geography and an assessment of pay practices;
- N.B. The pay comparator group is used beyond the Executives and is used as a source of data for the wider management population.

Market data provides an input to the decision-making process of the Committee but is not a determinant in itself as evidenced by the fact that incentive pay levels for the CEO have not been adjusted/increased since 2016, so the Comparator group itself has not resulted in skews to the Directors' remuneration.

The companies included in the comparator group are subject to regular review and will be included in the Committee's agenda as part of the review of the Directors' Remuneration Policy which we will be undertaking during this year.

About this Document and Forward-Looking Statements

This is a document produced by British American Tobacco p.l.c. Associate companies are excluded. References to 'British American Tobacco', 'BAT', 'we', 'us' and 'our' when denoting opinion refer to British American Tobacco p.l.c. (the Company, and together with its subsidiaries, the "Group"), and when denoting business activity refer to Group operating companies, collectively or individually as the case may be. This document contains certain forward-looking statements, made within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, regarding our intentions, beliefs or current expectations reflecting knowledge and information available at the time of preparation and concerning, amongst other things, the future payment of dividends and sustainability practices. BAT undertakes no obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise.

These statements are often, but not always, made through the use of words or phrases such as "believe," "anticipate," "could," "may," "would," "should," "intend," "plan," "potential," "predict," "will," "estimate," "strategy" and similar expressions. It is believed that the expectations reflected in this document are reasonable but they may be affected by a wide range of variables that could cause actual results to differ materially from those currently anticipated. A review of the reasons why actual results and developments may differ materially from the expectations disclosed or implied within forward-looking statements can be found by referring to the information contained under the headings "Cautionary Statement" and "Group Principal Risks" in the 2023 Annual Report and Form 20-F of British American Tobacco p.l.c. (BAT).

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Additional information concerning these and other factors can be found in BAT's filings with the U.S. Securities and Exchange Commission ("SEC"), including the Annual Report on Form 20-F and Current Reports on Form 6-K, which may be obtained free of charge at the SEC's website, <http://www.sec.gov>, and BAT's Annual Reports, which may be obtained free of charge from the British American Tobacco website www.bat.com.

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